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SUBJECT: SERBIA: ARREST OF POWERFUL BALKAN ORGANIZED CRIME FIGURE
JOCA AMSTERDAM

REF: A) BELGRADE 212, B) 08 ZAGREB 750

Summary

1. (SBU) Following President Tadic's March promises to crack down on organized crime (Ref A), on April 27 the Serbian police arrested notorious organized crime figure Sreten Jovic, better known as Joca "Amsterdam," for the October 2008 murder of Croatian journalist Ivo Pukanic. Jovic was arrested based on information and evidence provided by the Croatian authorities. Since there is no bilateral treaty between Serbia and Croatia which would allow Jovic's extradition, if indicted he will be tried in Serbia. As the head of the most powerful Serbian organized crime group, Jovic has long posed a direct threat to national and regional security. Serbian authorities continue to investigate this crime and have said they intend to arrest all involved, reportedly including Serbian businessman Stanko Subotic "Cane," resident in Switzerland, suspected of ordering Pukanic's murder. End Summary.

The Arrest

2. (U) Sreten Jovic, aka Joca "Amsterdam," was arrested in Belgrade on April 27 on charges of involvement in the October 23, 2008, murder of journalist Ivo Pukanic, founder of the Croatian weekly "Nacional." (As reported Ref B, Nacional editor-in-chief Pukanic and his marketing director Niko Franic were killed by a bomb that exploded in front of Nacional headquarters in Zagreb, Croatia. Croatian media described Pukanic's murder as a mob assassination, as he was long rumored to have ties to alleged mobsters and other unsavory businessmen. He allegedly got much of the seed money for Nacional in 1995 from convicted mobster Hrvoje Petrac and controversial businessman/banker Nevan Barac.) Serbian police arrested Jovic in Dedinje, an upscale residential area of Belgrade, in a villa that Jovic rented from Mira Markovic, widow of late Serbian President Slobodan Milosevic. Jovic was charged with criminal conspiracy and murder. An investigative judge of the Belgrade District Court on April 29 ordered 30 days detention and launched a formal investigation of Jovic. The detention was extended for another 60 days on May 27.

3. (U) Serbian police continue to arrest others believed to have been involved in Pukanic's murder. On May 30 they arrested Milenko Kuzmanovic on suspicion of supplying the explosives for the attack. (Kuzmanovic had previously been detained by the Croatian authorities on the same charges but released after 55 days for lack of evidence.)_ On June 1, Serbian police arrested Zeljko Milanovic on charges of placing an explosive-laden motorbike next to Pukanic's car and detonating the charge remotely.

Example of Good Regional Cooperation

¶4. (U) This high profile arrest of Jovic was the direct result of joint operation and coordination of Serbian and Croatian police and prosecutors. This cooperation began immediately after Pukanic's murder, and resulted in the October 30, 2008, arrests in Zagreb and Bajakovo, Croatia (near the Serbian border) of ten people accused of organizing the bombing, including Slobodan Djurovic (Jovic's best man and closest associate) and Robert Matanic. In November 2008, Interior Ministers from Serbia, Bosnia, Montenegro, Croatia and Slovenia gathered for an unofficial meeting in Sarajevo where they discussed, inter alia, Pukanic's killing and concluded that the case demonstrated the need for closer regional police cooperation.

¶5. (U) Serbian Interior Minister Ivica Dacic and his Croatian counterpart Tomislav Karamarko on December 12, 2008, signed a memorandum of understanding on stronger ties between the two ministries, with the goal of efficiently combating organized crime. This document then became the legal basis for the exchange of what Minister Dacic described as "reliable information and valuable evidence" collected by Croatian authorities against Jovic that led to his arrest. Following the arrest, Ministry of Justice State Secretary Slobodan Homen announced that it would not be possible to extradite Jovic due to the lack of a bilateral extradition treaty with Croatia. (Although Serbian law was recently changed to permit extradition of its nationals in accordance with international treaties, the Croatian constitution forbids extradition of Croatian citizens; the impossibility of reciprocity makes a bilateral agreement unlikely.) Homen said he was confident that, if indicted, Jovic would be tried in Serbia.

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Who is Joca Amsterdam?

¶6. (U) Sreten Jovic, a Serbian citizen, is by far the most dangerous and powerful criminal in the region. His international criminal organization is involved in murder-for-hire, drug smuggling, and other lucrative crimes in European countries such as The Netherlands and Bulgaria, as well as in Serbia and its Balkan neighbors. Jovic escaped prison in The Netherlands in 1993 and settled in Bulgaria. In 2002 Bulgarian authorities arrested him and extradited him to The Netherlands, where he spent three years in prison. In 2005 Jovic was extradited from The Netherlands to Serbia where he was until recently free on bail while standing trial for a murder he allegedly ordered in 1995 and other crimes.

¶7. (U) After returning to Serbia, Jovic re-established connections with local criminals and regained his leading position in drug trafficking. Through partners, Jovic reportedly managed to launder most of his money through the construction and restaurant businesses. Many informed observers saw Jovic as a serious threat to regional and national security, with ambitions to control police, judiciary and the government.

Who Will Be Next?

¶8. (U) According to reports in the Serbian media, one of the individuals arrested in Croatia in connection with the Pukanic murder agreed to cooperate with the police and provided evidence linking Serbian businessman Stanko Subotic "Cane," who lives in Switzerland, to the case. (After Pukanic's murder, Italian prosecutor Giuseppe Sclesi told the media that Pukanic was a key witness in a cigarette smuggling case against Subotic and Montenegrin Prime Minister Milo Djukanovic.) Subotic allegedly hired Jovic to organize the execution of Pukanic. Jovic then engaged his best man Djurovic and Croatian criminal Matanic to prepare the attack, which took several months.

¶9. (SBU) A senior official of the Democratic Party, who told us in March that Jovic would soon be arrested, recently informed us that Subotic would be next. Serbian authorities are reportedly working closely with their Swiss counterparts on the case.

Comment

¶10. (SBU) The arrest of Jovic is a positive and welcome signal that Serbia is committed to the fight against organized crime, as President Tadic has so vocally promised. The level of regional cooperation, which permitted the Serbian authorities to arrest Jovic after they had been unable to develop their own evidence against him, is particularly encouraging. Our government contacts assure us that investigations into organized crime will continue and that more arrests will follow. End Comment.

MUNTER